

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2003-334-C - ORDER NO. 2004-95
FEBRUARY 27, 2004

IN RE: Application of Charter Fiberlink SC CCVII,) ORDER GRANTING ✓
LLC, for a Certificate of Public Convenience) CERTIFICATE RNC
and Necessity to Provide Local Exchange)
Services and Intrastate Interexchange)
Telecommunications Services within the State)
of South Carolina and for Flexible and)
Alternative Regulation.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Charter Fiberlink SC CCVII, LLC (Charter or the "Company") for authority to provide resold local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its intrastate interexchange business service offerings identical to that relaxed regulation granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2003), and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed the Applicant to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform

interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Applicant complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

Counsel for SCTC filed with the Commission a Stipulation in which the Applicant stipulated that it would not seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Charter provided written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Charter agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on February 11, 2004, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Mignon Clyburn, Chairman, presided. Charter was represented by John J. Pringle, Jr., Esquire. Mark Barber, Vice President – Telephony of Charter Fiberlink of SC – CCVII, appeared and testified on behalf of the Company. Jocelyn Boyd, Staff Counsel, represented the Commission Staff.

Mr. Barber presented testimony to demonstrate the Company's financial, managerial, and technical ability to provide the telecommunications services for which authority is sought in South Carolina. The witness also presented testimony regarding his background and experience in business and telecommunications as well as that of the other executives of Charter. Mr. Barber testified that he has worked in the telecommunications industry for over 25 years in a variety of positions from field engineer to vice president.

Mr. Barber testified and provided documentary evidence that Charter is a limited liability company organized and formed under the laws of the State of Delaware and is a wholly owned subsidiary of Charter Communications which is based in St. Louis, Missouri. Charter Communications is one of the nation's largest providers of cable television service and a variety of other telecommunications and data communications services throughout the United States. The Company seeks authority of this Commission to deploy switching equipment, transmission lines and associated electronics, routers and computer equipment in South Carolina to provide a wide array of regulated local and long distance voice and data services. Charter intends to initially offer only local exchange and interexchange private line data services in South Carolina. Charter intends to offer private data line services to business and commercial customers at a variety of transmission speeds, including DS1, DS3, OC3, OC12, and OC48. Charter's initial private line offerings will not be interconnected with the public switched telephone network. Eventually Charter does intend to offer traditional local voice and data telecommunications services to business and residential customers which will be

interconnected to the public switched telephone network. Finally, Charter also intends at some future date to offer facilities based and resold interexchange (interLATA and intraLATA toll) telecommunications services to business and residential customers through the use of a combination of unbundled network elements leased from certified long distance carriers.

The Company intends to market its services through a variety of media and to engage in telemarketing. A script which Charter will use in the telemarketing of its services in South Carolina was included with its Application in this matter. Finally, Mr. Barber testified that the Company has both a toll-free telephone number and internet web-site for customer service. Customer service will be provided by Charter on a 24 hour a day, seven day a week basis. Charter's customer service representatives are available to assist the Company's customers and to promptly respond to all customer inquiries. The Company's toll free number and address will be printed on customers' monthly billing statement. Mr. Barber testified further that the Company's customer service representatives are prepared to respond to a broad range of service matters, including inquiries regarding the types of services offered by Charter and the rates associated with the services; monthly billing statements, problems or concerns pertaining to a customer's current service; and general service matters.

Mr. Barber provided financial information, including current financial statements of the Company, related to its ability to provide the services requested. This information clearly evidenced that Charter possesses the necessary financial capability to begin providing the services which it seeks to be certificated for in South Carolina.

The testimony further reveals that Charter agrees to provide and market its services in compliance with current Commission policies. In particular, Mr. Barber testified that the Company is familiar with Commission Order No. 93-462 regarding resale of intraLATA telecommunications services and will attempt to comply with the terms of that Order in every respect possible. On behalf of Charter, Mr. Barber agreed that at all times the Company will provide interstate services in compliance with the Federal Communications Commission ("FCC") rules and regulations.

Charter has requested waivers of certain Commission rules and regulations. Specifically, Charter has requested a waiver of 26 S.C. Code Ann. Regs. 103-631 which requires local telephone service providers to publish and distribute a local telephone directory. Charter has additionally requested a waiver of 26 S.C. Code Ann. Regs. 103-611, which requires the Company to keep its books and accounts in accordance with the Uniform System of Accounts, and asked permission of this Commission to keep such records in conformance with Generally Accepted Accounting Principles (GAAP). Charter has also requested waiver of the requirement under 26 S.C. Code Ann. Regs. 103-612.2.3 that it file maps of its service area with the Commission. The Company explains that as it will be offering service only within the geographic service areas of incumbent LECs that service area maps and directories should be viewed by the Commission as unnecessary. Finally, Charter asks that the Commission waive the application of Regulation 103-610 and that it be permitted to maintain its books and records at Charter's headquarters in St. Louis, Missouri.

Mr. Barber testified that the residents of South Carolina will benefit from Charter's service and presence in South Carolina. The testimony reveals that customers in the Company's service territory will receive increased choice and heightened opportunities to obtain improved technology in their homes and businesses. Further, Mr. Barber opined that the granting of the certificate of authority to provide local exchange service will offer increased efficiency to the State's telecommunications infrastructure through greater reliability of services and an increase in competitive choices. The testimony reveals the Company's Application to provide telecommunication services in other jurisdictions has never been denied, and the Company agrees to abide by and comply with the Commission's rules, regulations, and Orders.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Charter is a Delaware limited liability company authorized to do business in South Carolina by the South Carolina Secretary of State.
2. Charter is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.
3. As evidenced by the testimony of its Vice President of Telephony, Mark Barber, and the documents filed with this Commission, Charter possesses the technical and managerial expertise and financial resources to commence operations as a telecommunications service provider in South Carolina.

4. We find that Charter's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2003).

5. We find based on the testimony and documents in the record in this case that Charter will support universally available telephone service at affordable rates.

6. We further find that based on the technical and managerial expertise of its officers and employees, as evidenced by the testimony and documents in the record in this case, that Charter has the capability to provide services which will meet the service standards of the Commission.

7. The Commission finds that the provision of local exchange service by Charter will not "adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2003).

8. We find that the issuance of the authority requested by Charter is in the best interests of the citizens of the State of South Carolina.

CONCLUSIONS OF LAW

1. The Commission concludes that Charter possesses the managerial, technical, and financial resources to provide the competitive local exchange telecommunications services and intrastate interexchange services as described in its application.

2. The Commission concludes that Charter's "provision of service will not adversely impact the availability of affordable local exchange service."

3. The Commission concludes that Charter will participate in the support of universally available telephone service at affordable rates to the extent that Charter may be required to do so by the Commission.

4. The Commission concludes that Charter will provide services which will meet the service standards of the Commission.

5. The Commission concludes that the provision of local exchange service by Charter does not, and will not otherwise, adversely impact the public interest.

6. The Commission concludes that approval of Charter's Application to provide local exchange telecommunications services and intrastate interexchange telecommunications services within South Carolina will serve the public interest by enhancing competition in the State by offering additional service offerings to South Carolina's consumers and by providing for efficient use of existing telecommunications resources.

7. The Commission concludes that the issuance of the authority to provide local exchange telecommunications services and intrastate interexchange telecommunications services as requested by Charter, and as set forth in its Application, is in the best interests of the citizens of the State of South Carolina.

8. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Charter to provide competitive intrastate resold and facilities-based local exchange service in the areas of South Carolina served by non-rural incumbent local exchange carriers. The terms of the Stipulation between Charter and the SCTC are approved and adopted as a part of this Order. Any proposal to provide local

services in rural service areas is subject to the terms of the Stipulation. In addition, Charter is granted authority to provide resold and facilities-based intrastate interexchange service and to originate and terminate toll traffic within the same LATA, as set forth herein.

9. The Commission concludes Charter's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for Charter's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Charter's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

10. The Commission concludes that Charter's intrastate interexchange business telecommunications services shall be regulated consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under the Commission approved alternative regulation, the business service offerings of Charter, including consumer card services and operator services, are subject to a relaxed regulatory scheme

identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to Charter to provide competitive intrastate local exchange telecommunications services, including optional services, via its own facilities and the resale or the leasing of unbundled network elements including UNE-P, from incumbent local exchange carriers. Charter’s local exchange service offerings shall be provided in compliance with the Stipulation between Charter and the SCTC. Further, Charter is granted authority to provide, via its own facilities or resale, intrastate interexchange telecommunications services and to originate and terminate toll traffic within the same LATA, as set forth herein, through the use of its

own facilities or the resale of intrastate services authorized for resale by tariffs of carriers approved by the Commission.

2. The terms of the Stipulation between Charter and the SCTC are approved and adopted as a part of this Order. The Stipulation is attached to this Order as Exhibit 1 and is hereby incorporated as a part of this Order. Any proposal to provide competitive intrastate local exchange telecommunications services to rural service areas is subject to the terms of this Stipulation.

3. Charter shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Charter's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for Charter's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Charter's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

4. The Commission adopts a rate design for the long distance business service offerings of Charter which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under the Commission approved alternative regulation, the business service offerings of Charter, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

5. With regard to the interexchange residential service offerings of Charter, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously

adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

6. Charter shall not adjust its interexchange residential rates below the approved maximum level without notice to the Commission and to the public. Charter shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2003).

7. If it has not already done so by the date of issuance of this Order, Charter shall file its revised interexchange long distance tariff within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

8. Charter is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's offering of interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. Charter shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Charter changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, Charter shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph four of the Stipulation and Appendix B approved by Order No. 93-462.

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Charter shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The Company shall utilize the “Authorized Utility Representative Information” form which may be located at the Commission’s website at www.psc.state.sc.us/reference/forms.asp to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

13. Charter shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

14. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Charter to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator with the South Carolina

Budget and Control Board. By this Order and prior to providing voice or dial-tone services within South Carolina, Charter shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

15. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

16. Charter shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipts reports will necessitate the filing of intrastate information. Therefore, Charter shall keep financial records on an intrastate basis for South Carolina in order to comply with the Commission's requirements of filing an annual report and a gross receipts report. The proper form for filing annual financial information for the annual report may be found on the Commission's website at www.psc.state.sc.us/reference/forms.asp. The title of this form is "Annual Report for CLECs" and/or "Annual Report for Interexchange Companies." The Company shall file the annual report form with the Commission by April 1st of each year.

Commission gross receipts forms are due to be filed with the Commission no later than August 31st of each year. The appropriate form for remitting information for gross receipts is entitled "Gross Receipts Form for Utility Companies" and may also be found on the Commission's website at www.psc.state.sc.us/reference/forms.asp.

Additionally, pursuant to the Commission's regulations, the Company shall file a "CLEC Service Quality Quarterly Report" with the Commission. The proper form for this report can be found at the Commission's website at www.psc.state.sc.us/reference/forms.asp.

17. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2002, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to their assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 1, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. This Company must comply with the applicable mandates. Complete information on compliance with this FCC and Commission requirement may be found on the Commission's website at www.psc.state.sc.us/reference/forms.asp.

18. For good cause shown, Charter is granted a waiver and is hereby authorized to keep its books and financial records in accordance with Generally Accepted Accounting Principles rather than the Uniform System of Accounts method.

19. For good cause shown, Charter is granted a waiver of the requirements that the Company publish and distribute a directory under 26 S.C. Code Ann. Reg. 103-631. Charter is ordered to contact the incumbent ILECs to ensure that the Company's customers are included in the applicable directory.

20. For good cause shown, Charter is granted a waiver of the requirement that it file maps of exchange service areas under 26 S.C. Ann. Regs. 103-612.2.3.

21. For good cause shown, Charter is granted a waiver of the requirement contained in 26 S.C. Code Ann. Reg. 103-610 that it maintain its books and records in South Carolina and is authorized to maintain such records at its corporate headquarters in St. Louis, Missouri. The Company shall make its books and records available for inspection at any time by members or employees of the Commission and shall do so at its own expense. The Company shall notify the Commission staff if such books and records are moved to some other location.

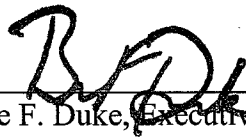
22. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Bruce F. Duke, Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2003-334-C

Re: Application of Charter Fiberlink SC-CCVII, LLC)
for a Certificate of Public Convenience and)
Necessity to Provide Facilities-based and Resold)
Local Exchange and Intrastate Interexchange)
Telecommunications Services and Data Commu-)
nications Services in the State of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Charter Fiberlink SC-CCVII, LLC ("Charter Fiberlink SC-CCVII") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Charter Fiberlink SC-CCVII's Application. SCTC and Charter Fiberlink SC-CCVII stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Charter Fiberlink SC-CCVII, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Charter Fiberlink SC-CCVII stipulates and agrees that any Certificate which may be granted will authorize Charter Fiberlink SC-CCVII to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Charter Fiberlink SC-CCVII stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Charter Fiberlink SC-CCVII stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Charter Fiberlink SC-CCVII provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Charter Fiberlink SC-CCVII acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Charter Fiberlink SC-CCVII stipulates and agrees that, if Charter Fiberlink SC-CCVII gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Charter Fiberlink SC-CCVII will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Charter Fiberlink SC-CCVII acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Charter Fiberlink SC-CCVII, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.


8. Charter Fiberlink SC-CCVII agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Charter Fiberlink SC-CCVII hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

10. Notwithstanding any provision contained herein, the terms, conditions and limitations of the Stipulation apply only in those instances where a rural telephone company's federal rural exemption under 47 U.S.C. § 251(f)(1) is implicated.

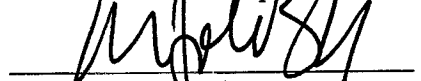
AGREED AND STIPULATED to this 11th day of February, 2004.

Charter Fiberlink SC - CCVII, LLC


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South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company